

**TOBACCO GRANT PROGRAM
FY 2021-22
GRANTEE HANDBOOK
DOJ-PROP56-2021-22-1**



XAVIER BECERRA
Attorney General

OFFICE OF THE ATTORNEY GENERAL

March 2021

**HANDBOOK FOR GRANTS MADE BY THE DEPARTMENT OF JUSTICE TO
LOCAL AGENCIES UNDER PROPOSITION 56, THE HEALTHCARE, RESEARCH
AND PREVENTION TOBACCO TAX ACT OF 2016 (THE ACT)**

All items contained in this Handbook are subject to change.

TABLE OF CONTENTS

PART I: GRANT APPLICATION GUIDE..... 5

 GENERAL INFORMATION 6

 APPLICATION PROCESS 6

 Applications 6

 Joint applications 6

 REVIEW, AWARD AND TERMS 7

 Administrative Review 7

 Merits Review 7

 Notification of Award, Denial or Disqualification 8

 Grant Agreement..... 8

 Access 8

 Performance Compliance, Audit, and Responsibility 9

 Reports 9

 Withholding of Ten Percent Pending Closeout..... 9

 Procurement of Goods or Services..... 9

 Use of Contractors 9

 PROJECT REQUIREMENTS 10

 Administrative Costs..... 10

 Project Costs 10

 Project Income 10

 Overpayment of Funds..... 10

 Records of Tobacco Products 10

 Travel 11

 Equipment Property Records 11

 Noncompliance 11

 Non-Use of Funds 12

 Closeout 12

 Allowable Costs; Reasonable Costs; Allocable Costs 12

 Supplanting 13

 APPEALS 13

 DEFINITIONS..... 14

| | |
|---|----|
| PART II: GRANT OWNER’S MANUAL | 16 |
| GRANT ACCEPTANCE AND TERMS..... | 17 |
| Award..... | 17 |
| Terms and Conditions | 17 |
| Department Grant Management | 17 |
| Allowable Costs..... | 17 |
| Supplanting | 19 |
| Restricted Items | 19 |
| ACCESSING AND MANAGING GRANT FUNDS..... | 21 |
| Invoicing | 21 |
| Modifications | 21 |
| Record Maintenance | 22 |
| Audits..... | 22 |
| Reports | 22 |
| Closing Out | 22 |

PART I: GRANT APPLICATION GUIDE

GENERAL INFORMATION

In accordance with the State Budget Act and the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Act), as added by Proposition 56, the California Department of Justice (“Department”) intends to distribute \$26.8 million¹ in FY 2021-22 to eligible local law enforcement agencies for qualifying tobacco enforcement purposes. Any local government or local government agency within the State of California that has authority to enforce tobacco-related state laws or local ordinances is eligible to receive funds. Grant funds may be used to support and hire law enforcement officers for programs that include, but are not limited to, enforcement of state and local laws related to the illegal sales and marketing of tobacco, including e-cigarettes, to minors. Grant funds will be awarded on a competitive basis in accordance with the Department’s funding priorities.

APPLICATION PROCESS

Applications

An eligible agency may submit one individual application.

Joint applications

Eligible agencies may submit one or more joint applications in addition to, or in lieu of, an individual application. A joint application should include, in addition to other requirements set forth in the Request for Proposal, the following information:

- Identification of all entities that are jointly applying for the grant.
- A designation of the primary applicant and all secondary applicants.
- A statement from the primary applicant indicating that the primary applicant agrees to assume responsibility for performance of the projects in the event a grant award is made.
- A statement from each secondary applicant identifying and acknowledging each responsibility that the secondary applicant shall assume in the event a grant award is made to the primary applicant.
- A statement setting forth the benefits and disadvantages reasonably likely to arise from joint, as distinct from separate, performance of the project.
- A statement indicating whether any primary or secondary applicant is also submitting a separate application or is a primary or secondary applicant in any other joint application, and briefly identifying such application(s).

¹Available amount is subject to change based on approval of the State’s FY 2021-22 budget.

REVIEW, AWARD AND TERMS

Administrative Review

Applications will undergo an administrative review by the Department to determine whether the application is timely, legible and complete, and whether the applicant agency is eligible. An applicant may request to amend its application; however, a request to amend an application may be denied if the Department has already begun the merits review process for that award period.

Incomplete, illegible and untimely applications and applications received from ineligible entities will be disqualified. An applicant may appeal disqualification of its application, as detailed in this Handbook.

All applications that are not disqualified in the administrative review will undergo a merits review.

Merits Review

Applications that satisfy the administrative review shall be reviewed by a Merits Review Committee.

The Merits Review Committee shall initially assess whether each proposed project is within the scope of the Tobacco Grant Program. This will render a pass/fail score. The committee will then evaluate and score applications that are within the scope based on the extent to which the applications satisfy the scoring criteria set forth in the Request for Proposal; show capacity to comply with the Act's requirement to refrain from using grant funds to supplant any existing state or local funding of activities that have the same purposes as those of the Act; and with the administrative requirements of the grant.

The Merits Review Committee shall make a funding recommendation for each application, other than those that were disqualified or denied, based on the following factors:

- Amount of available funding.
- Amount of funding requested for eligible and meritorious activities.
- The merits of the application based on the scoring criteria set forth in the Request for Proposal.
- The Department's funding priorities as articulated in the Request for Proposal.
- Indicia of support for the application from local stakeholders including, for example, tobacco control and prevention programs; public health, health and human services, or environmental health departments; local agencies; community or youth organizations; and local elected officials.
- Indicia that the funds granted will not be used to supplant existing state, local or federal funds used for the same purpose.

The Merits Review Committee shall provide its scoring and recommendations as to approval or denial of applications, and as to the amount of funding for successful applications, to the Attorney General and/or their designee.

Notification of Award, Denial or Disqualification

The Department shall send out a notice via email and hard copy to all applicants of disqualification, denial, award, or other decision.

Notification of award does not authorize commencement of grant activities. Agencies will receive a revised budget detail identifying what was specifically funded and may be required to also provide a revised narrative to match the revised budget. Grant activities may begin once the grantee receives a revised budget detail from the Department, but reimbursement cannot be provided until a Memorandum of Understanding (MOU) between the grantee and the Department is fully executed. Other accompanying documents (e.g., resolution and taxpayer ID form) must also be received before reimbursement can be made.

Grant Agreement

A written and signed MOU is required for all grants. The grant agreement includes the Request for Proposal and associated documents, this Handbook, the Application and any associated documents submitted in response to the Request for Proposal, and the signed MOU.

A grant agreement for a joint application includes, in addition to the items required for all grant agreements, the following:

- Name of the primary grantee.
- Name of each secondary grantee.
- The division of funds between each grantee, if applicable.
- Name of the grant manager for the primary grantee.
- Name of the official contact for the grant for each secondary grantee.
- Name of the authorizing official for the primary grantee.
- Name of the authorizing official for each secondary grantee.
- Name of the fiscal or accounting official for the primary grantee.
- Approved designation, between the primary and each secondary grantee, of responsibilities for performance of the grant.
- A statement from the primary grantee indicating assumption of responsibility for performance of the project(s) in the event a grant is awarded.
- A statement from each secondary grantee identifying and acknowledging each responsibility that the secondary grantee shall assume in the event a grant is awarded.

Access

Upon reasonable notice, grantees shall allow the Department access to the records of the project, the project sites (if applicable), and any employees or contractors who may reasonably have

information related to the project. Also, upon reasonable notice, grantees shall allow the Department to accompany the grantee on project-related activities.

Performance Compliance, Audit, and Responsibility

Grants and funding are subject to performance compliance reviews in the form of site visits, interviews with grantees, contractors and other stakeholders, and review of relevant documents. This review may be performed by the Department and/or its designee.

- The grantee is the responsible agency and may not transfer or assign the grant to another entity without prior written authorization from the Department.
- Grantees are subject to audit by the California State Auditor, as required by Revenue and Taxation Code, section 30130.56, subdivision (a).
- Grantees are subject to a financial compliance review in the form of an audit, an agreed-upon-procedure, and/or both. A review will be conducted in accordance with the Generally Accepted Government Auditing Standards and Revenue and Tax Code, sections 30130.56 and 30130.57, subdivisions (e)(1), (f) & (g), designed to accomplish any one or more of the following: to monitor compliance with the requirements of the grant program and the terms and conditions of the grant agreement; to assess the quantity, quality, timeliness and cost of services the grantee produces and delivers under the terms and conditions of the grant agreement; and to assess the performance of any contract entered into by a grantee relating to a grant.

Reports

Progress reports, final reports, and inspection data shall be submitted by the grantee to the Department in accordance with the reporting requirements and deadlines set forth in the grant agreement.

Withholding of Ten Percent Pending Closeout

The Department may withhold ten percent of the grant amount pending receipt of the final report by the Department, approval of the final report by the Department, resolution of performance issues to the satisfaction of the Department, or resolution of audit findings prior to closeout.

Procurement of Goods or Services

The grantee shall follow its own written procurement policies and procedures when procuring goods or services for activities relating to performance of the grant. All documents related to the procurement of goods or services shall be maintained by the grantee for the records retention period (at least five years) and copies shall be provided to the Department when requesting reimbursement.

Use of Contractors

Grantees may contract for services for performance of a project as set forth in the grant agreement or with prior written approval from the Department.

- Contractor services must be for the purpose of achieving the grant objectives.

- Grantees are responsible for ensuring that each contractor complies with the grant agreement, including, if applicable, collecting and reporting of inspection data and disallowance of supplanting.
- Contracting out shall not affect the grantee’s overall responsibility for the management of a Project, and the grantee shall reserve sufficient rights and control to enable it to fulfill its responsibilities for the grant.
- Grantees shall have a written agreement with each contractor and shall submit a copy of the agreement to the Department.

PROJECT REQUIREMENTS

Administrative Costs

Administrative costs are the portion of staff time, office space, equipment and supplies needed to operate the program. A Grantee shall not use more than five percent of the funds expended for administrative costs. See Revenue and Taxation Code, Section 30130.57 (f), (g).

Project Costs

Project costs may include the reasonable and necessary cost of tobacco-enforcement related items required to conduct grant-related operations.

Project Income

Income generated from a project, if any, may be reinvested by the grantee into the project for which the grant was awarded, returned to the Department, or the Department may approve other uses by the grantee of program income in accordance with the general purposes of the grant. Project income does not include fines, penalties, legal costs, attorney’s fees, or other property collected as a result of enforcement actions by the grantee.

Overpayment of Funds

If an agency is inadvertently reimbursed for more than the amount expended, the overpayment of funds must be returned to the Department. If the grant for which the funds are being returned is still active (within the term of the MOU), then the returned funds can be shown as a credit on the next claim submitted for reimbursement. If the grant term has ended, the agency must return the funds made payable to the California Department of Justice to:

California Department of Justice
 Division of Operations
 Tobacco Grant Program
 P.O. Box 160187
 Sacramento, CA 95816

Records of Tobacco Products

Grantees shall retain and preserve the tobacco products purchased or otherwise obtained during the course of performing a project, and the purchase records for such tobacco products, in accordance with the grantee’s written policies regarding retention, destruction or forfeiture of such items.

Travel

Travel costs of grantees are permitted for travel to/from tobacco-related trainings, meetings, seminars, and/or workshops. All travel must be approved and included in the grant budget.

Travel by grantees shall be in accordance with the State of California's written travel policies, and subject to any further requirement in the grant agreement. Travel costs shall be substantiated by receipts and these receipts shall be made available to the Department upon request for reimbursement.

Out-of-state travel must be clearly specified in the grant budget and/or modification because it requires prior approval and may be subject to additional restrictions.

Travel costs may only consist of the reasonable and necessary charges for commercial fares, public transportation, private vehicle, overnight and day parking of private or rental vehicles, bridge and road tolls, meals, lodging, and incidentals, incurred for travel necessary for the performance of the grant. The State of California's written travel policies can be found online at www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx.

Equipment Property Records

Grantees shall maintain property records for the records retention period for each item of tangible personal property having a useful life of more than one year *and a per-unit* acquisition cost of \$5,000 or more.

Records Retention

Grantees shall maintain records relating to the application, grant agreement, scope of work, budget, and performance of projects, for the records retention period established by the agency for those types of records, or for five years from the date the grant was closed out, whichever is longer. These records include, but are not limited to, reports of enforcement activities, educational programs, policy programs, personnel activity records, payroll records, travel claims, receipts, documents showing the calculation or methodology for determining whether funds were supplanted, and documents showing the calculation or methodology for determining administrative costs.

Noncompliance

In the event a grantee fails to comply with the terms and conditions of the Act or grant agreement, the Department will notify the grantee, and meet and confer to resolve the issue.

In the event the Department and a grantee are unable to resolve a grantee's non-compliance with the terms and conditions of the Act or grant agreement, the Department may take one or more of the following actions:

- Withholding of payments.
- Recovery of funds paid to the grantee.
- Imposition of additional conditions on the grantee.

- Termination of the grant agreement.
- Disqualification from consideration for future grants.

Non-Use of Funds

Grantees are expected to start operations within six months of the beginning date of the MOU and are responsible for advising the Department if they are unable to do so. Grantees who have not started their project and expended any funds within the first year of the beginning of the grant term shall forfeit their award. Any forfeited awards may be awarded to another agency.

Closeout

The Department shall conduct closeout review activities prior to closing out each grant to ensure that all necessary administrative actions and projects have been completed by the grantee. Closeout review activities include, but are not limited to, review of the final progress report due from the grantee to ensure it is sufficient and complete, verification that any performance issues are resolved, and verification that any audit or agreed-upon-procedure findings are resolved.

Allowable Costs; Reasonable Costs; Allocable Costs

Costs must meet all of the following general criteria to be allowable. An allowable cost must:

- Be reasonable for the performance of the grant and allocable to the grant.
- Be accorded consistent treatment. In the event a cost is assigned in one way and another cost incurred for the same purpose in like circumstances was previously allocated in another way, the grantee shall provide a description of both the current and the prior assignments. The description shall be sufficient for the Department to ascertain whether or not funds have been supplanted.
- Be adequately documented.
- Comply with the Act and terms and conditions of the grant agreement.
- Comply with applicable laws and regulations.
- Not be disallowed under the terms of the grant agreement.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances, prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration will be given to:

- Whether the cost is generally recognized as ordinary and necessary for the proper and efficient performance of the grant.
- The requirements of the grant program and the terms and conditions of the grant agreement.
- Market prices for comparable goods or services for the geographic area.
- Whether the grantee deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase a cost.

A cost is allocable to the grant if the cost is incurred for grant-related activities.

Unless otherwise provided for in the grant agreement, if a cost is incurred for the performance of grant-related activities and also for other non-grant-related activities, and benefits both grant and non-grant activities, the proportion that is incurred for the performance of grant-related activities may be approximated using reasonable and properly documented methods and assigned to the grant.

Examples of allowable costs (if approved in the budget) include, but are not limited to:

- Cell phone, including monthly service costs
- Community outreach items (e.g., pop up tent, table, tablecloth, prize wheel)
- Education materials (pamphlets, brochures, flyers)
- Media campaigns (Prior approval of logos, language/statements to be used, pictures/graphics, etc., must be obtained from the Department prior to expenditure of funds).
- Office equipment (laptop/PC/printer)
- Promotional items with an anti-tobacco message (hats, t-shirts, pencils/pens, water bottles, draw string/reusable bags, lanyards). The anti-tobacco messaging should be predominant and can be an image and/or text. Approval of logo/messaging is required from the Department prior to purchase of the items. Video/Audio recording devices (minor decoy/shoulder tap operations)

Supplanting

Supplanting is prohibited. Grant funds may not be used to pay for costs that are already funded within your agency's budget, or for which other funding has already been received, in order to reallocate existing funding to other purposes. If funds awarded under this grant are used to supplant existing agency resources previously allocated for the same purpose, the Department may pursue remedies for non-compliance.

APPEALS

Actions that a grantee may appeal include:

- Disqualification of an application.
- Denial of an application in whole or in part.
- Imposition of additional conditions.
- Suspension or termination of a grant agreement.

Appeals must be made in writing, postmarked within 30 calendar days of the date of the notification of the Department's action, and mailed to the Department at the address provided in the Request for Proposal. An appeal must include:

- A copy of the notification and/or other communication from the Department.
- The name of the applicant or grantee, as applicable.

- A statement of the reasons the action by the Department should not be imposed, including any documentation to support the appeal.
- A statement of the remedy sought by the appellant.
- Contact information for the appellant.
- The signature of the authorized representative of the appellant.

Appeals not postmarked within 30 days as specified above will be denied. The action or actions specified in the notification will remain in effect while the appeal is under review.

The Attorney General and/or designee who is employed by the Department and who is not a member of the Merits Review Committee will make the final decision regarding the appeal. The Department will issue a decision on the appeal no later than 60 calendar days from the date the appeal is received.

The remedy for an appeal that is successful in whole or in part may be provided either during the course of the current funding cycle or in a subsequent funding cycle that may be during the course of the following fiscal year, based on practicality and the availability of grant funds.

DEFINITIONS

The following definitions apply to this Handbook and the associated Request for Proposal:

- **Administrative Costs.** Administrative costs are the portion of staff time, office space, equipment and supplies needed to operate the program. They include necessary and reasonable indirect expenses as allowed under the terms and conditions of the grant agreement, limited to five percent of the total expenditures.
- **Application.** A request by an eligible agency to receive a grant from the Department pursuant to Revenue and Taxation Code, Section 30130.57(e)(1).
- **Contractor.** An entity or person, including a consultant, that enters into a contract with a grantee to perform an approved grant-related activity.
- **Department.** The California Department of Justice.
- **Grant.** An award of financial assistance made to a Grantee, the principal purpose of which is the transfer of funds to carry out a project of public benefit authorized and intended by Revenue and Taxation Code, section 30130.57, subdivision (e)(1), a Request for Proposal, and the grant agreement between the grantee and the Department.
- **Grant Agreement.** The final agreement entered into between the Department and a grantee, or primary grantee in the case of a joint application, which sets forth the terms and conditions of the Grant. The grant agreement includes the executed MOU, Request for Proposal and associated documents, application and associated documents, and this Handbook.
- **Grant Duration.** The period of time provided for in the Grant Agreement.

- Grantee. A local agency to which a grant is awarded. A grantee includes a primary or a secondary grantee as specified in a grant agreement arising from a Joint application.
- Inspection Data. Information regarding retailer inspection or enforcement activity by a grantee under the terms of the grant agreement, including, but not limited to, information about retailer location, retailer violations, retailer inspections, and retail-related citations, licensing actions, administrative proceedings, diversion proceedings, and prosecutions. Inspection data includes information regarding such activities whether or not a violation was found or a citation was issued. A grant agreement may contain further information about what constitutes inspection data, how it is to be gathered and retained by a grantee, and how and when it is to be reported to the Department.
- Joint Application. A request to receive a grant that is submitted by more than one eligible agency. A joint application includes a primary applicant and at least one secondary applicant.
- Local Law Enforcement Agency. A division, department, board, office, section, or branch of local government, or institution of public education, that employs one or more persons appointed and duly sworn as a peace officer; city police department; county sheriff's department; police protection and community services district; police or school resource officer of a K-12 school district; police department of the California Community Colleges; city, district, or county attorney's office; or any other local public agency that employs one or more sworn peace officers.
- Project. An undertaking that is planned to conduct activities and achieve stated goals and objectives for which funds were awarded by the Department to a grantee from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund.
- Records Retention Period. The period of time after the grant is closed out that a grantee must maintain records related to the grant, which is at least five years.
- Supplant. Replace or reduce the amount of state or local funds currently being appropriated or previously appropriated for a purpose because grant funds are available or expected to be available to fund that same purpose. The effect of supplanting would be to reduce the total amount that would have been available for the purpose stated in the application or grant agreement.
- Tobacco Products. The same meaning as in Revenue and Taxation Code, Section 30130.50(b).

PART II: GRANT OWNER'S MANUAL

GRANT ACCEPTANCE AND TERMS

Award

Your award is not final upon initial notification. A letter of intent to accept the award will be attached to the award notification. Your agency must affirm that either (1) it will seek a resolution to accept the award, if your agency has a governing body, or (2) no governing body exists and no resolution is required. In order to officially accept your award, your agency must return the completed, signed letter of intent within 15 calendar days of the date of the award letter via email to TobaccoGrantRFP@doj.ca.gov or hard copy to:

California Department of Justice
Division of Operations
Tobacco Grant Program
P.O. Box 160187
Sacramento, CA 95816-0187

Your agency may begin engaging in funded activities once a revised budget detail is received from the Department, but will not be eligible to receive reimbursement for expenditures until a MOU fully executed with original signatures and accompanying documents (e.g., Resolution, Taxpayer ID form) are in place. The MOU must be approved by the head of your agency, or your agency's governing body if one exists. The MOU and other accompanying documents must be returned within 90 days of receipt. **Failure to return the letter of intent within 15 days or execute the MOU and other accompanying documents within 90 days will be deemed a declination of the award.** In the event of an unclaimed or declined award, funding may be awarded to another applicant.

Terms and Conditions

By accepting these funds, your agency agrees to comply with, and be bound by, the conditions set forth in the MOU and this Handbook.

Department Grant Management

Each agency will be assigned a Grant Administrator from the Department for assistance with implementation and oversight of the agency's specific grant program throughout the life cycle of the grant. The Grant Administrator will maintain regular communications with their agencies and will provide administrative direction and guidance.

Allowable Costs

In general, costs must meet all of the following general criteria to be allowable. An allowable cost must:

- Be reasonable for the performance of the grant, and allocable to the grant.
- Be accorded consistent treatment. In the event a cost is assigned in one way and another cost incurred for the same purpose in like circumstances was previously allocated in the agency's budget in another way, the grantee shall provide a description of both the

current and the prior assignments. The description shall be sufficient for the Department to ascertain whether or not funds have been supplanted.

- Be adequately documented.
- Comply with the Act and terms and conditions of the grant agreement.
- Comply with applicable laws and regulations.
- Not be disallowed under the terms of the grant agreement.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration will be given to:

- Whether the cost is generally recognized as ordinary and necessary for the proper and efficient performance of the grant.
- The requirements of the grant program and the terms and conditions of the grant agreement.
- Market prices for comparable goods or services for the geographic area.
- Whether the grantee deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase a cost.

A cost is allocable to the grant if the cost is incurred for grant-related activities. Unless otherwise provided for in the grant agreement, if a cost is incurred for the performance of grant-related activities and also for other non-grant-related activities, and benefits both grant and non-grant activities, the proportion that is incurred for the performance of grant-related activities may be approximated using reasonable and properly documented methods and assigned to the grant. Specific costs that may be supported by funds awarded under the Tobacco Grant Program are as follows:

Personnel

Salaries, benefits and overtime are allowable expenses. Amounts claimed must be supported by payroll and attendance records kept by the agency and must be made available to the Department upon request.

Travel

Travel that directly supports the applicant's project may be reimbursed using grant funds, with limitations on expenditures for meals, incidentals, lodging and mileage. Travel may be billed and reimbursed only as allowed by the State of California's established travel reimbursement rates in effect as of the date(s) of travel and must be included in the approved budget. Please refer to the California Department of Human Resources' website at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx> for the most current approved travel reimbursement rates.

Travel expenditures that exceed the State's allowable rates will be reimbursed only up to the amount allowed and your invoice will be reduced accordingly. Your agency will be responsible for the balance.

Acceptable documentation for reimbursement of travel expenses includes copies of receipts for meals, lodging, etc., and if applicable, completed agency mileage forms. All receipts must show 'paid' by cash/check or credit card.

Training

Each grant recipient is required to send at least one representative to a workshop offered by the Tobacco Grant Program during the first year of each grant award.

All other trainings must be Tobacco Grant-related. If the training is not DOJ-sponsored and specifically related to the Tobacco Grant, then prior approval must be sought. To obtain prior approval for training, an agency must submit a flyer with an agenda.

Acceptable documentation for reimbursement of training expenses includes copies of receipts and proof of payment (copies of checks or credit card statements).

Equipment

Equipment that directly supports the applicant's project proposal may be purchased using grant funds. Equipment is defined as an item that has a *per-unit* acquisition cost of \$5,000 or more and a useful life of at least one year.

Acceptable documentation for equipment purchases include copies of receipts and proof of payment (copies of checks or credit card statements).

Supplies

Supplies that directly support the applicant's project proposal and are not restricted items may be purchased using grant funds. Supplies are defined as items that have a per-unit cost of less than \$5,000 and may be consumable.

Acceptable documentation for purchases of supplies include copies of receipts and proof of payment (copies of checks or credit card statements).

Supplanting

Pursuant to Revenue and Taxation Code section 30130.57, subdivision (e), grant funds are not to be used to supplant existing state or local funds that were already allocated for the same purpose. If the Department or California State Auditor identifies that your agency has used grant funds to pay for costs that are already funded within your agency's budget, or for which other funding has already been received, in order to reallocate existing funding to other purposes, the Department may pursue remedies for non-compliance.

Restricted Items

Grant funds shall not be used to purchase items that are considered restricted and for personal use. Examples include, but are not limited to, the items on the following list. An item may not appear on this list but if it is determined to be for personal use, the Department will not provide

reimbursement or if reimbursement has already occurred, the Department may pursue remedies for non-compliance. If an item appears on this list, or if there is a question about whether an item will be approved for reimbursement, then prior approval from the Tobacco Grant Program should be sought.

- Ammunition
- Awards
- Award Certificates
- Balloons
- Briefcases
- Calendars (Decorative)
- Cleaning supplies
- Coffee pots and supplies
- Facilities renovations
- Firearms and related accessories (scopes, holsters, racks, etc.)
- Food, beverages, and any other consumables
- Gift Cards
- Hand sanitizers
- K9
- Kleenex/tissue papers
- Luggage
- Luggage Carriers
- Pepper spray
- Personalized products used to advertise an agency and/or programs (e.g., pens, magnets) not specific to anti-smoking/anti-tobacco campaigns. Any products in this category require prior approval from the Tobacco Grant Program
- Picture frames
- Plastic eating utensils
- Portable fans
- Portable heaters
- Refreshments for meeting/conferences
- Refrigerators
- Ribbons

- Vehicles and/or vehicle trailer purchases (vehicle usage, leases, fees, and mileage reimbursement are allowable).

ACCESSING AND MANAGING GRANT FUNDS

Invoicing

Invoices must be submitted by mail on a quarterly basis, in arrears. Invoices are due October 15th, January 15th, April 15th, and July 15th. Submit original invoices on DOJ-provided forms with all required attachments, plus two complete copies, to:

Department of Justice
Division of Operations
Tobacco Grant Program
P.O. Box 160187
Sacramento, CA 95816-0187

A complete invoice package will include:

- The invoice cover page signed by the agency representative;
- The invoice detail pages; and
- Documentation of costs incurred and their subsequent payment for all Operating Expenses and Equipment (Section B) claimed. Goods and services received must be shown to have been paid in full.

Modifications

Each agency shall be limited to three pre-approved modifications in a fiscal year.

Changes Requiring Advance Approval

Prior written approval by the Department is required for changes to an approved project or budget. Prior approval for the following types of modifications must be requested, and may be granted, only in writing:

- A revision of the project or scope of work. Only ONE substantive change per fiscal year will be considered.
- Budget changes that involve shifting funding between categories (e.g., moving funds from Personal Services to Operating Expenses and Equipment)
- Extension of grant duration (these cannot be considered less than 90 days prior to the expiration of the grant term)
- ANY items not included in the original approved budget (e.g., equipment purchases, travel, contracting services, personal services, etc.)
- Withdrawal of a secondary grantee from a project that is part of a joint application
- Use of program income for purposes not in accordance with the grant agreement

Failure to obtain prior approval may result in the Department pursuing remedies for non-compliance. The Department will not reimburse expenditures made in violation of this section.

Extensions

An extension may be requested if your agency needs additional time to fully expend awarded funds. Extension requests must be received no more than 180 days and no less than 90 days prior to the expiration date of the award. Requests will not be considered at the beginning or mid-term of the grant period. Extension requests received less than 90 days before an award expires will not be considered.

Record Maintenance

Your agency must maintain records relating to the application, grant agreement, scope of work, budget, and performance of projects, for the records retention period established by your agency for those types of records or for five years after a grant is closed out, whichever is longer. These records include, but are not limited to, reports of enforcement activities, educational programs, policy programs; personnel activity records; payroll records; travel claims; receipts; documents showing the calculation or methodology for determining whether funds were supplanted; and documents showing the calculation or methodology for determining administrative costs.

Audits

Grant fund recipients and sub-recipients are subject to audit by both the California State Auditor and the Department. In addition to formal audits, the California Department of Justice may conduct site visits with reasonable notice. All documentation related to the receipt and use of grant funds shall be made open to inspection upon request by the California State Auditor and/or the Department.

Reports

Quarterly progress reports must be submitted electronically on a quarterly basis . You will be provided with a link and instructions via email prior to when each report is due. Information reported via invoices and quarterly progress reports may be compiled for Department use.

Quarterly progress activity reports for FY 2021-22 are due on the following dates:

- October 15
- January 15
- April 15
- July 15

Closing Out

Once your agency's award expires, whether or not funds were fully expended, it must be closed out.

Funding

Grant funds for reimbursement must be spent *prior* to the expiration date. Any funds spent after the expiration date of the grant cannot be reimbursed, regardless of when they were obligated or problems with vendor fulfillment. Good and services must be received, invoiced, and paid for *during* the grant term in order to be eligible for reimbursement.

Final Progress Report

Your agency will be asked to submit a final progress report summarizing grant activities completed up to the end of the award.